

**City of Coral Gables City Commission Meeting**  
**Agenda Item G-6**  
**May 30, 2017**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Raul Valdes-Fauli**  
**Vice Mayor Pat Keon**  
**Commissioner Vince Lago**  
**Commissioner Michael Mena**  
**Commissioner Frank Quesada**

**City Staff**

**City Manager, Cathy Swanson-Rivenbark**  
**City Attorney, Craig E. Leen**  
**City Clerk, Walter J. Foeman**  
**Deputy City Clerk, Billy Urquia**  
**Sustainable Resources, Matt Anderson**

**Public Speaker(s)**

**Devesh Nirmul, Renew Financial**  
**Mike Antile, Renovate America**  
**Rip Holmes**

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Agenda Item G-6 [12:31:33 p.m.]

Discussion regarding the PACE Program's expansion in the City of Coral Gables to have multiple provider options for the residents. (Sponsored by Commissioner Lago)

Mayor Valdes-Fauli: G-6, Commissioner Lago regarding the PACE Program's expansion in the City of Coral Gables to have multiple provider options for the residents, Commissioner Lago.

Commissioner Lago: Alright, we'll make this brief. As I told the individuals who are going to be presenting before you, what we have today, as you know, I'm your representative for the PACE Program and I've been fortunate enough to represent the City for the last four years, but there is a new transition that's moving forward, I'm going to have them explain, in regards to different providers, and I want to make sure and the reason why we are talking about this, I want to make

sure that we offer a diverse opportunity for the residents in this community who want to use this type of financing strategy. We are not the first City, there are multiple cities that are currently doing this, I want them to give a presentation. If you want to vote on this issue today, we can, if you want staff after listening to this presentation to have a little more time to vet this, I'm open to whatever you want to do.

Mayor Valdes-Fauli: Why don't they make the presentation and then we'll go on and see if staff reports to us.

Devesh Nirmul: Good afternoon, thank you for having us, I'm waiting for the PowerPoint to be queued up really quick. We are one of four providers in Florida, you all are familiar with Ygrene, I have my colleague Mike Antile from a competing firm with us today as well. Thank you for your leadership on PACE in this area. I used to run...in Miami-Dade County a few years ago before PACE got started and saw the momentum. I think part of that leadership now is to ensure that consumers can have access to competitive marketplace for PACE, it's already proven itself out to great benefits for consumers. So, I'll quickly go over what that PACE landscape looks like and what it means to be multi-provider. So just as a company, just like my colleague from Renovate America, we are all companies working nationally on PACE. Our footprint is – our idea is we want to have a long term legitimate mechanism for financing products and services that typically had been left out of the marketplace, and you know in Florida, the PSC, we've lost a lot of incentives for energy efficiency, this is a great way to fill that gap and make sure that we have a whole new set of, sort of qualifiers around getting these kind of projects right for consumer protections. So, this is our footprint nationally, PACE is primarily in California and Florida, and just as a quick reminder, what do we mean by PACE? So Florida statute 2010, most of you are aware of what it does, but it works through what we call special assessment districts, you all are familiar with that, we also name them Interlocal Authorities, the idea is that if these Interlocal Authorities that you as a government would join as a member, and through that process those authorities can levy and assess and create the repayment mechanism via the tax roll through negotiations with each of the County tax collectors in the state. It's specific to particular energy efficiency renewable energy and...measures, its residential and non-residential, it's voluntary, and of course it takes advantage of the long term savings that you can have with these types of products. Having worked in energy sustainability for a long time, we all say that this product would be great in the long run, but sometimes development decisions are what's going to have the quickest payback now and PACE allows you to capture those long term benefits. We have a lot of resiliency concerns in South Florida, you guys are leading the way Four County Climate Compact and this is definitely supporting that, and overall local economic development, I can talk to, Mike is formerly with the solar industry, we talked to any solar vendor and their idea of growing their business, this makes a lot of sense.

Mayor Valdes-Fauli: Excuse me, let me interrupt your presentation, but I think that many of the residents would have any idea what PACE does and how it would benefit them. Can you in very lay terms tell them what PACE does and how I living in whatever it is, would go to PACE to do what.

Devesh Nirmul: Sure.

Mayor Valdes-Fauli: In very lay terms.

Devesh Nirmul: Lay terms – it's another option for you to finance particular products and services.

Mayor Valdes-Fauli: Finance what?

Devesh Nirmul: Particular products and services.

Mayor Valdes-Fauli: Tell me what those products are.

Devesh Nirmul: Energy efficiency and wind resistance.

Mayor Valdes-Fauli: OK.

Devesh Nirmul: Each of us has a qualified product list where we say, OK, the product that we'll finance has to meet certain performance standards, third party government standards, and that's a big differentiator, because if you get a credit card or a home equity line, you are not going to get the same level of oversight, if you will, so that's the first step. Maybe a scenario might be helpful, let's say this summer somebody's A/C system breaks down. They call a vendor to fix it, the idea is they want to get the high efficiency system that will work right, they may have to do their duct work too in order to get it to work correctly. So, we provide 100 percent financing for that efficiency, we won't finance something that's below the government or third party standard. The second part of that is, it's repaid through your non – assessment on your tax bill, so that's a fixed rate fix term, based on the use of the life of that product. H-factor tends to be ten years, roofs tend to be 20-plus years, and this is already going on in your marketplace with the current vendor or the program, I should say that you have in Coral Gables. What we are suggesting is to allow a multi-provider like the rest of the state is going in that direction. So, the homeowner gets the financing approved, we know how much eligibility they have based on the equity in their home, so they can't be over leveraged. There are strict requirements in the state statute, no more than 20 percent of the home's value can be impacted; and typically what we are seeing empirically is that the improvements have a one-to-one improvement cost to value, because there

are a fundamental improvement, their H factor, roofs, the things that matter for the property's value and insurance, etc. We also are paying the contractors directly, so the other part's that's different here is, we pay the contractor, you sign-off on the satisfaction and then they get paid, there is dispute resolution, there is share pricing, senior protection, all that Mike talked a bit about that, but that's what the transaction looks like typically. The vendors are trained by us, they have to be called by us, they have to meet...

Mayor Valdes-Fauli: So, if I want to upgrade my air conditioning or whatever it is, I call my air conditioning contractor then how does PACE come in here and how do I get in touch with PACE? You have to make it a little more down to earth.

Devesh Nirmul: Sure. Typically, we have somebody assigned to each marketplace that's recruiting contractors.

Mayor Valdes-Fauli: I'm sorry, what?

Devesh Nirmul: We have somebody assigned to each marketplace, a sales manager that's recruiting contractors. Now if you happen to have a favorite contractor you say, I want to use PACE, but I don't see them listed on your website. You call us, we get that contractor enrolled, we've got them, and that's how you use the outside contractor. But typically, it's a seamless process; something needs to be fixed in your house, we call a contractor, they are already enrolled in one or more PACE programs.

City Attorney Leen: Mr. Mayor, if I could add something. The City of Coral Gables is presently in a PACE district with the City of Miami, with Pinecrest, with I think five or six cities.

Commissioner Lago: Seven.

City Attorney Leen: Seven, excuse me sir, seven cities. I believe Commissioner Lago sits on the Board, and the interesting part of the PACE districts is, you can essentially put a special assessment lien on your own house.

Mayor Valdes-Fauli: I'm aware of all of that, but I want to make people understand, people who are watching this, how do they take advantage of the wonderful opportunity.

Vice Mayor Keon: How do they find PACE? Are like you in the phonebook?

Commissioner Lago: Let me just answer this question, the Mayor mentioned on several occasions. Ygrene for example, has an office located in Coconut Grove; they do extensive

marketing, both online and in print, and basically if a person is interested in upgrading their air conditioning, their windows, their roof, adding solar panels. I used the PACE program, and so did Commissioner Quesada, so that we could show that the PACE program is safe, and that's it's another way of financing, rather than pay it in cash, you can get an equity line from your home, you can get a loan from the bank, or you can use the PACE program as a financing option.

Devesh Nirmul: That's an option.

Commissioner Lago: So, we used it and I'm paying it off over 15 years, it's on my taxes; and it's very simple. You go there, you find out how much equity you have in your home and what you are approved for in reference to the upgrades that you can do on your home. Then basically from there you find out exactly what you want to do, you pick a contractor out of a list of prequalified contractors, who again do not get paid until there is a CO. It's very different, because there are a lot of safety measures that contractors have to follow to ensure that there is no theft, or there is no misuse of the funds...

Devesh Nirmul: Right products.

Commissioner Lago: ...that the right products are used and that it meets the Code, so that at the end you are left with a basic payment every month, which is like paying it off on a monthly basis. Mine is for the next 15 years, which lowered my air conditioning bill and in September when I hopefully get an electric vehicle, it will lower my gas consumption and my gas use, which will save me more money. So, that's basically the simple fundamental...

Vice Mayor Keon: So, who do you call? - you call Ygrene, because Ygrene administers the PACE program?

Devesh Nirmul: Ygrene is one of the administrators, we are another, so is Mike.

Commissioner Lago: There are four. There are four entities and in Coral Gables we only have one - you want to come up? - we only have currently one agency, which is called Ygrene that's approved. The reason why I asked them to come here, even though I don't sit on the Ygrene board, is because I want to be competitive like other cities and municipalities. The County just approved this and other cities that I want them to explain. I know we have a timeframe, because we have to go to another meeting, so as quickly as we possibly can.

Mr. Anderson: Matt Anderson, Sustainable Resources for the City of Coral Gables. Yes, we've been marketing the PACE program, it's on our website under [coralgables.com/sustainability](http://coralgables.com/sustainability). Obviously, Commissioner Lago mentioned part of it since 2012, and we've had over 200

projects done within the City at a value of over \$7 million. So the program, we've been marketing it. I know Ygrene does mail-outs to some of our residents. I've been getting phone calls on that, so they've been marketing it both through our website and through mail-outs.

Commissioner Lago: Have you had one person complain in regards to they had a bad taste in their mouth in regards to the program and....

Mr. Anderson: I haven't received any negative feedback.

Commissioner Lago: That's important. I'm not asking because of you, I'm asking because Ygrene is the one that administered those 200 deals, so I want to make sure that we are doing our job.

Mr. Anderson: Yes. And I know the transition has been – Broward County just went and added on a multi-provider and I know some other cities that have done it as well. I know Miami-Dade, right now I think only has Ygrene, but they are in negotiations, OK, so they are in as well.

Commissioner Lago: And the whole purpose of today is to understand, they are already approved at state level, the one of the four providers, they are already been approved by municipalities in the County, I just want to make sure that we offer every single person in this community enough options to be competitive.

Mayor Valdes-Fauli: And they know....

Commissioner Lago: And that they know what PACE is, even though we've done an extensive mail campaign, we've talked about it; we sent home a lot of information to the residents, so they are aware of what the program is.

Mayor Valdes-Fauli: Thank you very much.

Devesh Nirmul: Go to the website, find the contractors, and find the products.

Vice Mayor Keon: What's the website?

Devesh Nirmul: Ours is Renew PACE. Most cities once they have multi-provider they provide a link to each one.

Vice Mayor Keon: So, you would already have to know who through the City you can contract with, right?

Mr. Anderson: Well currently within the City, Ygrene administers the program. We basically help market the program that it's available to our residents, and then Ygrene does all the administration of the entire program.

Vice Mayor Keon: So, is it your intent to add another provider to that?

Commissioner Lago: My intent today is to show you that there are other options out there and that other cities and counties are moving in a direction or having multiple providers, which again, allows people to have different choices and I think that's what's critical.

Mayor Valdes-Fauli: OK. Thank you very much, and we have a member of the public that wants to speak on this issue, I'm sorry, you wanted to stay something.

Commissioner Lago: You wanted to say something a little bit about your program, about your provider.

Mr. Antile: Sure. Thank you Mr. Mayor, members of the Commission. My name is Mike Antile, I'm with a company called Renovate America, Devesh was with Renew Financial, and then the company that you have in place is Ygrene, there is a fourth provider which...it is great that you are embracing some competition, of course I know Ygrene is doing a fantastic job, but as we know most of the other jurisdictions in the state kind of have an open platform, so we at Renovate, we've done about 75,000 PACE project across the country, a little bit more than \$2 billion in funding, so obviously very excited about the opportunity of the potential to be here. I can go on and on about consumer protections, which is what really separates PACE from any other type of financing. Happy to answer any questions about that, if you want me to give some examples, I can, but I'm happy to move right along as well.

Mayor Valdes-Fauli: You made a very convincing argument. My comments were addressed to the people, but I think there are a lot of people that had no idea what this is about and we are making it known to the public and to our TV watchers that this is available and it's a great program. Thank you.

Mr. Antile: Thank you.

Mayor Valdes-Fauli: We have a member of the public that wants to speak on this item, Mr. Holmes.

Mr. Holmes: Thank you so much Mayor Valdes-Fauli and Commissioners. My business actually believe it or not was rescued by this program, because my roof was leaking and it cost like over \$20,000 and I didn't have the money, and I hate to admit, but I have a mortgage, so if the tenant had gone on a rent strike I could have lost my property. Along comes PACE and Ygrene and they saved my business. As you already know, thanks to you being so great on trying to "green" our City and our planet before we go under water, they also help people get better insulation and conserve more energy and "green" the planet. In my experience with Ygrene, which was tremendous, I pledge to them to always tell people even if it's embarrassing here telling you about my finances that they saved my business. There was a blip in the road and its get now to this expansion to other providers. They depend on funders, so they had a very generous funder who had certain requirements that I didn't meet, so suddenly I'm being told, you know what, we love you, but we love our funder more and you may not pass the grade. At point, I'm thinking holy-moly, and I'm calling up people like Renew and they say, well we can't get approved, but if you could help us advocate for approval for other suppliers, other providers of the roofs, we would appreciate it. So this is my time, I get to deliver on my promise to them, since they saved my business I advocate you keep doing the right thing. Let's expand this and let's keep ourselves from going under water as was predicted by National Public Radio in a broadcast two years ago where they said, our sea level is going to drown us maybe by 2070 in some locations. Thank you.

Mayor Valdes-Fauli: Thank you sir.

Commissioner Lago: Thank you sir.

Mayor Valdes-Fauli: Thank you very much. Any other people who wish to speak. Thank you very much and we'll take a break till time certain item at 2:00 p.m.

Commissioner Quesada: Do we have to vote on this?

City Attorney Leen: What is the will of the Commission? Do you want us to add additional providers?

Commissioner Quesada: Yes.

City Attorney Leen: Is it unanimous?- OK, so what we will do is prepare an item that will amend our prior agreement to add.

Commissioner Lago: Should we take a vote on this? I'll make a motion.

Mayor Valdes-Fauli: A motion to what?



Commissioner Mena: To add the additional vendors, right?

City Attorney Leen: Yes.

Mayor Valdes-Fauli: OK.

Commissioner Mena: Does there need to be a vote?

City Attorney Leen: There should be a vote, because we'll put together the appropriate resolution.

Commissioner Lago: I make a motion to approve the two vendors that we have before us today.

Commissioner Quesada: Second.

Mayor Valdes-Fauli: Will you call the roll please?

Commissioner Quesada: Yes

Vice Mayor Keon: Yes

Commissioner Lago: Yes

Commissioner Mena: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

City Attorney Leen: It's more of the PACE program, so I don't think it's a typical procurement, but I would note that there was more than a four-fifths vote to the extent there needed to be any sort of waiver.

[End: 12:48:30 p.m.]